The Economic Prison and Regional Small Business

A Case Study on Kempsey and the Mid-North Coast Correctional Centre

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1.0 Introduction

It is increasingly a common theme in the prison development industry in Australia and the United States for the agencies responsible for prison development to look favourably at rural and regional areas as potential sites for new correctional facilities. For the prison developer, whether Government or Private sector, locating and constructing correctional facilities in non-metropolitan regions makes sense for economic and practical reasons. Land in rural areas, particularly in economically depressed rural areas, is typically less expensive than the cost of land in cities. It is also easier in rural areas for a prison to be sited and to operate away from townships. Such siting makes escapes and land-use conflict less likely problems for the operators of the correctional facility.

The attractiveness of economically depressed non-metropolitan regions for prison development authorities has been further enhanced when many such regions actually become willing to host a correctional facility, and in many cases, are aggressively competitive with other regions in their pursuit of such a facility. The combination of hard economic times combined with the growing need to construct more prisons to hold burgeoning national prison populations, transformed the prison from a locally undesirable land use into an attractive growth industry for rural and regional areas. The changing economics of globalisation led to the decline of primary industry and manufacturing, and as a result, the demise of many rural communities that had traditionally looked to primary industry and manufacturing as the local economic base. It is in this scenario that many American communities, and indeed an increasing number of Australian non-metropolitan regions, have actively sought out and tendered for the right to host correctional centres. It is in this context that this thesis seeks to look into the impacts that the regional prison can have on a regional community, having a particular emphasis on the impact on local small business.
To define what constitutes the region is not a simple matter. This difficulty stems from the diversity and differences between regions globally. As such any regional area is difficult to define in spatial terms.

However, as the region has as much to do with cultural links as it does with economic links, it is possible to demarcate certain areas as being ‘part’ of a region, and others therefore as not being of that region. The non-metropolitan region, for the purposes of this thesis, is a distinct cultural and economic area that has a population less than twenty-thousand people.

The type of prison to be discussed in this thesis, the ‘economic prison’ is a prison built and located as part of a deliberate attempt to provide economic benefits to a non-metropolitan region, typically one that has seen an erosion of its existing economic base. The economic prison is thus found, in regions that are struggling in the dominant global free market economic climate.

The research associated with this thesis seeks to look at the local impact on small business that the construction of a correctional centre has had on one non-metropolitan region in Australia. The area this thesis will focus on is that of the Macleay Valley, located on the mid-north coast of New South Wales. The major town of the Macleay is Kempsey. The field research in this thesis will look into the opinions of small business owners in that centre on the impact that the development of a correctional centre has had on Kempsey and the Macleay, and the business conditions in that region.

The importance of studying the small business conditions comes about because of the promises made about the economic benefits that such a facility would provide the community prior to a community acceptance such a development. Small business in particular, is often told it will benefit from increased economic activity related to the prison.
In the next section the thesis will discuss the history of New South Wales corrective services. Following from that section, the next section of the thesis discusses the concepts of regional decline and the prison boom that have combined to spawn the trend of the construction of correctional centres in rural\regional areas. These sections will set the context for the Kempsey and Macleay local study, which will be based on research in and around Kempsey. That will be followed by a summary of findings, and a conclusion.
2.0 Prisons in Rural and Regional New South Wales

Prisons have existed in Australia from the arrival of the first convict fleet on the continent in 1788. As any student of Australian history knows, these ships were effectively floating prisons, loaded with prisoners of the British Crown that an overcrowded British penal system could no longer accommodate in its facilities. New South Wales—indeed the settlement of Australia by Europeans came about, therefore, as part of a solution to the United Kingdom’s mass prison overcrowding—a result of great class disparities and the rise of the prison as the preferred means of custodial penalty. As such, it could be argued that the practice of having a prison economy has existed since the earliest times in Australia, and that prison economy played an important part in the growth of European settlement in this country.

Domestically, the first official prison established in New South Wales for those committing criminal offences locally was the George Street Gaol—established in 1797 (Cullen, Dowding, Griffin. 1988). This was soon followed by the construction and establishment of another gaol—at Parramatta. These timber-built establishments were the first in a long line that would serve the offender accommodation needs of the New South Wales criminal justice system.

The next major facility to be constructed in Sydney for the purpose of detaining offenders was the Darlinghurst gaol, now the national arts school, constructed in the 1840s (Cullen et. Al.1988). Darlinghurst was the first gaol in Australia to be built purely for the pleasure of local law-breakers. The earlier Parramatta and Sydney gaols had also been used to house overflows of transported prisoners from the British Isles.

Outside the New South Wales colonial capital of Sydney, a statewide justice system was emerging in New South Wales. Spurred on by the outlaw activities of squatters and bushrangers, and by the risk of lawlessness becoming established in most of the outlying areas of their colony, the colonial government invested heavily in infrastructure such as police barracks, and courthouses and in a staff of wardens and mounted police to keep some form of the peace.
The vast distances of inland New South Wales made it essential that some level of correctional infrastructure was present in almost any European settled corner of the state. Local police barracks typically had in-built holding cells. In larger centres, such as Bathurst, Berrima, Goulburn or Grafton, significant gaols were constructed to house offenders (Ramsland.1996). As such, correctional infrastructure has long existed in the regional areas of New South Wales, and indeed in Australia in some form. A significant feature about the construction of those regionally based prisons was that they were placed in a region with the primary purpose of meeting a local need for carceral infrastructure.

This early prison building was also something of a guessing game by colonial officials. In planning for the future, the government, in constructing its infrastructure in New South Wales’ emerging regional centres developed that infrastructure in the centres it felt had the greatest potential for development in the future. Some of those centres earmarked for growth, most notably Berrima, failed to develop into significant population centres. In most other cases, fortunately for colonial authorities, the centres into which investment was ploughed developed into important regional centres. As such, correctional activities in New South Wales have always taken place in the region as well as in the cities (Ramsland.1996).

Perhaps the first prison in regional New South Wales built for purely economic reasons was the Trial Bay Gaol near the modern holiday village of South West Rocks. Located in an isolated location, this facility was built with the intention that prisoners would work the days of their sentence by building a breakwater (Cullen, Dowding and Griffin.1988). It was intended that the breakwater would, when completed, provide sailing ships with a safe berthing place between Sydney and the north, and inmate labour was seen as one means by which to cheaply construct the infrastructure- while at the same time reforming the inmates from layabouts into hard workers. The breakwater was, incidentally, never completed. Progress was slow with the labour force largely devoid of any of the trade skills required. Trial Bay was, however, an early example of the prison land use being linked with an economic ambition of government (Ramsland.1988).

In the late 1880s prison authorities also began to develop their facilities outside of the settlements in New South Wales, and to
architecturally design prisons to look like prisons (Kerr.1988). This was intended as a means by which to make the sentence of imprisonment a more intimidating punishment for breaching the laws of the colony. Bathurst Gaol was one facility physically affected by this changing philosophy behind the role of correctional centres and their activities. Kerr states of Bathurst Gaol that “In the 1880s the gaol was exiled from the centre, set in a commanding position, and decorated with the most intimidating symbolic stone entrance gate in the colony. This new architectural form and location not only identified and isolated the prison; it redefined the status of the town” (Kerr.1988.3). Naturally, the engineering of the appearance of prisons to be obvious and intimidating prisons led to the land use being an unpopular one to have as a neighbour. Kerr states that “all prisons were regarded as ‘blots on the landscape’, sources of contamination which transferred evil associations on to adjacent areas simply through their existence.” (Kerr.1988). By making the prison as obvious in the landscape as, for example, the Bathurst Gaol, local opposition to prison construction was further ingrained in the public psyche.

In the twentieth century, a number of correctional centres were constructed in smaller communities across New South Wales. The reason these correctional facilities were so located was that they were intended as labour prisons. They were therefore located near resources that were to be harvested by the labour camp (Ramsland.1988). Examples of labour prisons included the forestry camps of Glen Innes, Tumbarumba (Mannus) and one on the Central Coast. These correctional facilities, located as they were in smaller regional communities, brought employment to those towns, and became an important part of the local economy.

Since construction of these labour camp facilities, there has been a change of philosophy in the way the states affairs are conducted. It is now required of each part of government that it must justify its expenditure, and as such, the onus has been placed on the public service to reduce costs and to avoid risky projects. In the case of the Department of Corrective Services, the solution has been to house inmates within geographic proximity of where they originate. Not only does this enable the construction of correctional facilities in areas where they are most in need, but it also keeps down the cost and controversy associated with the development of a new prison (Ramsland.1996). Equally, it has allowed the department to
justify expenditure on not only a need to house a burgeoning prisoner population, but also on the grounds that the new facilities will contribute significantly to the local community by way of adding to the economic growth of the local community.

The beginning of the era of prisons being situated for economic reasons (other than those of the constructing authority) came with the rise of economic rationalism and its impact on many non-metropolitan regions. In New South Wales, the first example of such a facility being constructed was probably the privately operated Junee Correctional Centre in southern New South Wales, built in 1993. This has since been followed by the Lithgow Correctional Centre and the Mid North Coast Correctional Centre at Kempsey. In the near future, correctional facilities will be constructed at Wellington in Western New South Wales, and at Nowra on the south coast of NSW.

These new prison construction strategies have come into vogue with an increasing understanding of the dynamics of regional economies and of the challenges confronting many regional areas. The unpredictable nature of private sector decision making in the global economy has led to regional planners having to encourage locally sourced industry or turn to government investment.

The latest prison construction program is different to the traditional development of prison infrastructure in New South Wales in that it is dominated by non-metropolitan prison sites, and that those sites are selected specifically for the potential economic benefits that a correctional centre might bestow upon the host region. The coming together of regional economic divergence and rising prison populations has been a catalyst in driving this trend—the trend of using the prison as an economic tool.
3.0 Regional Decline

3.1 Introduction

The free market, global system that dominates the economic ideology of our society is the same ideology that has lead to increasingly obvious interregional disparities within national borders. The following of an economic policy based around even competition among commercial rivals, and the withdrawal of many industry subsidies and regulatory frameworks because of such free-market based policy has forced many non-metropolitan regions to consider their options for the future. Most non-metropolitan regions with an economic base in the primary industries soon realised that in a free-market environment their traditional working practices were simply not competitive anymore. Those regions that did not or could not respond to the new challenges soon found that they were falling behind economically.

3.2 Regions and the free market economy

Regional growth and decline is a symptom of the way our nation and the Australian economy function. In the free market society that is today dominant in most of the developed world, disparities must exist. People have the right to succeed as well as the right to fail in business. The same is true for the many different regions within our nation. Difference and diversity is built into the free-market system, innovation encouraged. Those areas that did not innovate, or were out of touch with the economic realities of their base industry soon found themselves suffering severe region-wide hardship. However, the fact that some regions would fall behind may have been an inevitable consequence of the new global order. Stilwell states, for example that “Economic growth cannot begin simultaneously everywhere: some regions get an early start for all sorts of
historical reasons. Those that do get the advantage of this early start can expect to benefit from a set of cumulative economic growth effects” (Stilwell 1992.94). With the economy making it necessary for regions compete among each other, the advantages some regions held over others soon became clear.

Prior to the 1970s, most global governments sought to create an environment within their nation-state that was conducive to the even spatial growth and development of domestically based industry and economic activity. The emphasis of this economic strategy was to protect the nation’s internal markets from global competition to ensure “balanced development within national economies with each region assured of its role in the national division of labour according to principles of competitive advantage” (Keating in Scott (ed). 2001.372). In part this was rendered necessary by protectionist ideologies that held sway in other major global economies- notably Japan and the U.S.A. Governments, fresh from the nationalism of the Second World War, were keen to protect their own, particularly in the primary industries and manufacturing sectors.

However, following the collapse of communism and of the loosening of corporate loyalties to the nation-state, the rise of the multinational corporation- enabled by fast improving communication and transportation technology (Kotkin 2001.5) - has led to the nation state losing much of its ability to manage economic disparities between the regions (if indeed it ever truly had that ability). This globalisation effectively meant that governments lost sovereignty over the economic activities of many of the biggest players in the private sector. As Murshed states this “increased globalisation attenuates the ability of national governments to pursue independent macroeconomic policies” (Murshed 2002.10). Governments had lost legal control over the corporation, which, if the regulatory environment in one local was unfriendly, could invest elsewhere. As Stilwell states “the combination of rapid technological change and increased internationalisation of capital...opened up a broader range of locational possibilities”
The corporation was now effectively footloose.

As corporations began to take advantage of their new found locational independence, and to grow as a result of the opportunities afforded by that independence, the new economies of scale made it too costly for spatially tied governments to continue to subsidise uncompetitive economic practice. Governments could simply not afford to continue to subsidise uncompetitive regions or uncompetitive industrial activities if they also wanted to remain solvent and provide basic services (Barkin.2000).

As industry protection declined, those regions whose industries had been living in a competition vacuum and were less competitive than their neighbours found they were unable to compete within the new competitive regime. Regions in Australia, for example, now had to compete with international regions often located in nations where the prevailing economic situation allowed for lower production costs- such as subsistence wages, and lower taxes. They also had to compete, at the top end of the market, with more economically powerful domestic and international rivals.

The long era of protection had also done regions a disservice by creating an inefficient culture in some industries that had not previously needed to focus on their competitiveness. Many had been encouraged focusing on their ability to produce (regardless of market demand). The once protected industry sectors- such as agriculture in Australia- quickly found that they were uncompetitive in the national and global economy.

This phenomenon was also part of the American experience of globalisation. Parenti, for example paints the picture of the economically depressed Crescent City: “Only four of the area’s seventeen sawmills are still in operation, commercial salmon fishing is dead, and during the mid eighties 164 businesses
went under... Unemployment had breached 20%. Del Norte County, with Crescent City at its heart, was in a seemingly terminal economic torpor.” (Parenti, 1999, 212)

3.3 The economic challenges facing regional areas

The challenges caused by the distant location of many rural and regional areas from the major primary industry markets and ports meant that these regions were among the worst affected by the new economic environment. This competitive disadvantage was worsened by the heavy reliance of many rural and regional areas on primary industries and manufacturing—two sectors that were open to aggressive international competition. Being so positioned economically made the non-metropolitan regions of Australia and America highly susceptible to outside competition. Ultimately, the new environment led to many regions suffering severe economic decline. As O’Conner, Stimpson and Daly state “Whenever free-market policies are applied, there will be disruption to and often a decline in some local economies” (O’Conner, Stimpson, and Daly, 2001, 180). Certain regions in Australia were ill equipped for competition.

The punishing economic circumstances that were brought about by the rise of the free market in the primary industries sector, and the continued improvements in transportation and communication technology further damaged the economic prospects of non-metropolitan regions by facilitating the rise of the agribusiness, or the primary industry based corporation. The many small owner-operated primary industry operations were particularly susceptible to the declining profit margins in their sector. Many, unable to make a living from the land which they worked, were forced to sell below market prices and withdraw from the industry. Capitalising on the situation were major agribusinesses. These organisations were able to consolidate the smaller operations and thus make profitable the
workings of the land by operating larger scale facilities with streamlined business models.

Although the consolidation of primary industry operations ensured that the industry ultimately become more economically efficient, the contraction had a catastrophic flow-on effect on those small rural settlements that traditionally had relied on the custom of the farming community. Businesses suffered a loss in trade, government services were withdrawn, and many of the younger generation naturally looked towards larger communities and stronger regions for their future. It should be noted, however, that these shifts in the economic structure of those regions also affected stronger regions- although these regions were better placed to respond to the challenges brought about by the new order (Collits.2004).

The flow-on effect of the contracting primary industry sector had impacts on the larger service towns. ‘Sponge-City’ regions- regions with economies strong enough to survive the new economic order- began to soak up population from their hinterland districts- offering the lure of employment and educational opportunities. The resultant increase in population enabled these regions to provide an increasingly superior set of services when compared with the economically struggling regions. To compound this situation, those medium size towns, many that relied economically on larger scale primary industry operations (such as timber mills, abattoirs, or dairies) had to face the reality that these industries would also face contraction as larger scale operators purchased and took over once locally funded operations. These settlement centres- now too small to provide services to an increasingly demanding citizen body- found themselves with large, underemployed and under-skilled population bases. The comparatively low cost required on entering the rental and property market in these regions as a result of the economic crisis also made these declining centres magnets for unemployed and underprivileged people priced out of more successful regions.
3.4 Regional Divergence

The expansion and growth of some regions while others flounder and struggle to become competitive eventually led to a form regional divergence. This important factor in the decline of many regional areas is physically seen through the rise of the ‘sponge city’- inland towns that grow on the misery and decline of their surrounding areas, and effectively begin to service a larger geographic area. As services in rural and regional areas declined and in many cases closed permanently, those regions economically strong enough to be able to retain their services became ever more attractive to people who had once patronised their own centres services and businesses through local patriotism and convenience. Improving roads and telecommunications technology has led to many people in the declining region accessing services in the ‘sponge cities’ thereby further strengthening the economic dominance of these successful regions. The impact of interregional competition like this has been that regions suffering a decline in their economy also began to find that they were unable to sustain what little commercial activity they had been able to retain in the absence of any local commercial innovation (O’Conner, Stimpson and Daly. 2001. 203).

The decline of the non-metropolitan regional area is not universal. To the contrary, many non-metropolitan regions have thrived with the onset of the deregulated economy. As O’Conner, Stimpson and Daly state “some non-metropolitan regions have prospered while others have experienced decline” (O’Conner et. al. 2001). Some important factors in determining whether a region will be economically successful or a failure seems to be related to the industry, or variety of industries that a region uses as its base for its economic future. Towns, relying for example, on the relatively high technology dependent wine, cotton or irrigation based industries (industries that the less affluent nations found difficult to compete with commercially) have not suffered the decline that those areas relying on the more traditional cattle, timber and grain have endured.
The regional decline was a decline that primarily affected regions relying heavily on a particular, protected economic sector. The decline was also geographically based. Those towns located nearer to the major inter-capital transport routes (highways, railways etc.), and distant enough from other major service centres to attract a slice of passing commercial activity, had advantages over those situated away from these main routes. Similarly, centres with beach frontage (in Australia) were able to attract investment from the tourist industry, or the increasing attractiveness of ‘sea change’ lifestyle patterns.

However, for most of the regions that faced economic decline in their base industry, times were difficult. Many settlements, due to economic difficulties, faced losses in population. As the population of those regional centres declined, so too did servicing provided by government organisations and by the service providing corporations (eg. banks and supermarkets) thereby bringing further economic hardship for those able to still remain in the centre. As many of the centres had been situated so as to ensure there was access to and for the industry on which their existence had depended, many regions were not well situated, physically or creatively, to develop ‘replacement’ industries such as tourism. These regions were forced by circumstance to undergo a wholesale economic transition to ensure their survival into the future- they had to learn new ways to survive (Cooke and Morgan.1998).

3.5 Survival Strategies

Regions able to muster their resources did find ways to slow the economic drain. Through locally based initiatives, many, found ways to overcome their economically challenging position. Beautification programs, business alliances, or by the establishment of boards to foster on local regional development were some options pursued.
Other regions, however, looked to the outside world for assistance. In the United States, this was typically a major industry organisation - such as a manufacturing plant - or a government facility, most commonly a prison facility (Besser and Hanson.2006, Huling.2002). Only a few of those declining regions that opted to pursue privately owned manufacturing industry found themselves able to retain that industry. Other towns, facing equally desperate times and desperate for economic investment offered ever more generous terms to those industrial corporations, thereby rendering this survival strategy more costly than it was worth pursuing. Those regions that sought out prisons, however, realised that the prison, a government operated, long-term oriented industry, was unlikely to be shut down or relocated (Hooks et al.2004). It was not long until prisons were attracting the same form of competition between townships as had the manufacturing industry (Huling.2002).
4.0 The Prison Boom

4.1 Introduction

The coming together of the depressed regional area and the prison industry was facilitated by an unprecedented rise in prisoner numbers—first in the United States, and then in Australia. This boom offenders receiving in carceral sentences led to the need for more correctional facilities to be constructed in a limited period of time. Ultimately, the pressure on the state to construct new prisons would be alleviated by the willingness of economically restructuring depressed rural and regional areas to host these facilities.

4.2 The Incarceration Boom

America, between 1980 and 1995, and Australia in the 1990’s experienced a sharp rises in the numbers of offenders who were being sentenced to incarceration. In the U.S, “The national prison population, having risen 500 per cent since 1972, is far greater than the 28 per cent rise in the national population during that time” (Mauer, 1999.1), while in Australia “Between 1988 and 1992, prisoner numbers increased by some 43%” (Grant, 1992.5). In Australia and the U.S, these trends have since been sustained. The New South Wales Department of Corrective Services, for example, reported that “The inmate population has increased from a daily average of 6702 in 1995/96 to 9324 in 2005/06. That means that over the last 11 years the population has increased by 39%” (DCS, 2006). Nationally, the Australian Bureau of Statistics has reported that “the prisoner population in Australia has increased by more than 40% over the decade to June 2004” (ABS, 2006) and that this population increase is “higher than the 15% growth in the [overall] adult population in the same period” (ABS, 2006). As Heggie states “All Australian States and Territories have experience increased prisoner populations” (Heggie, 2005). In the U.S, according to an annual census of jail inmates, the national prison population rose by 2.6 per cent—“the largest increase since 1997” (ABC, 2006). Likewise, between 1991 and

Naturally, such an increase in prisoner numbers placed enormous stress on the existing system that was ultimately required to host those sentenced to incarceration. Initial solutions to the problem in the U.S of housing the extra inmates involved simply packing more inmates into the existing, already overcrowded facilities, and to do so using measures such as having inmates guard each other. However, when the U.S. Federal Court ruled in 1980 that it was “illegal to use prison inmates to guard other prisoners and ruled that inmate packing constituted cruel and unusual punishment” (Besser and Hanson. 2006), a new strategy was necessary and the only one that really made sense to prison authorities- given they were unable to slow the numbers of incoming prisoners- was to construct more prisons. As Lagan states, “keeping up with that [1989] level of growth requires building the equivalent of a 1000 bed prison every 6 days” (Langan.1991.1568). The prison authorities desperately set out to do just that.

4.3 The Prison Boom

More prisons were accordingly built. However, as Shichor states “Building new prisons is a complex matter. It is expensive-estimated cost is about $75,000-$100,000 per prison cell and the allocation of financial resources for the construction of new prisons is often a long political process” (Shichor. 1992.70). Prisons authorities needing to construct a large number of facilities in haste, sought out sites where firstly, cheap land was available for prison sites, and secondly, where local political resistance would be minimal. It was probably not initially expected by the authorities, however, that communities would be in such desperate financial stakes as to actually lobby, and vigorously compete with each other for these new correctional facilities. Rural and economically depressed areas had simply been attractive to prison authorities because of the lower cost of acquiring appropriate
sites on which to develop correctional facilities. The fact that the locals were also willing to have such facilities as neighbours was a substantial bonus (Besser and Hanson, 2006).

It was this nexus between the prison authorities and the economically struggling rural communities that set off a prison construction boom in the United States (and in a smaller scale, in Australia). According to Beale “during 1980-91, 213 adult correctional institutions (generally limited to those with at least 150 inmates or 50 employees) opened in non-metro counties. These prisons held 53% percent of all prisoners confined in new facilities nationwide” (Beale, 1996, 25). Between 1992-1994 “83 state, federal, and private prisons opened in non-metro counties and 56 opened in metro areas” (Beale, 1996, 25). This prison construction boom, brought about to facilitate the incarceration boom, was and is a real, nationwide phenomena. It had implications for both metropolitan and non-metropolitan areas in the United States, with the booming prisoner numbers driving ever more prison construction projects in all corners of the nation.

One of the side effects of the boom for rural counties in the United States was an ‘artificial’ population increase brought about by areas with lower populations hosting high density prison facilities- which were full of inmates who were largely charged in metropolitan areas. As Parenti states “In the American countryside, punishment is such a big industry that according to the National Criminal Justice Commission, 5 percent of the growth in rural population between 1980 and 1990 was accounted for by prisoners, captured in cities and exiled to the new carceral arcadia” (Parenti, 1999, 213). For many county officials, the population increase, following decades of decline, seemed to augur well for the economic prison strategy. When that increase consists of secured inmates, however, one must question the validity of population as a measure of economic health in rural U.S counties.

In Australia, there has been a similar, if somewhat slower, trend towards the construction of prisons in non-metropolitan areas. Because of historical reasons, the Australian state
government corrections authorities have always had a significant presence in non-metropolitan locations- in New South Wales, for example at Goulburn, Grafton and Bathurst. It should be noted that because of the enormous differences in scale between the United States, and New South Wales, it is difficult to make comparisons between the two. However, in the last decade, most new correctional facilities being constructed have been built beyond the metropolitan areas. In New South Wales, in the last fifteen years, new prisons have been built at Junee, Lithgow, Kempsey and Brewarrina, while new institutions are in the process of being established at Wellington and Nowra (DCS.2006). By contrast, only two prisons have been built within the Sydney, Newcastle, and Wollongong metropolitan areas.

After fairly limited prison development activity between 1931 and 1980 when only four new prisons were established in a half-century, in the quarter century between 1981 and 2006 twelve new prisons were established in New South Wales. Seven of these new facilities are located outside the Sydney, Newcastle, and Wollongong metropolitan areas. Furthermore, to add to this prison construction boom, all prisons that existed in New South Wales prior to 1980 have since been upgraded, and in many cases, expanded. Finally there are two prisons in non-metropolitan New South Wales- at Nowra and at Wellington- undergoing planning or construction.

What is clear is that there is a continuing trend in New South Wales towards the construction of prisons in non-metropolitan areas. The next section briefly discusses some theories as to why this situation has emerged.

4.4 Underlying Causes of the incarceration boom

The incarceration boom was brought about by a combination of changing political trends and court sentencing in Australia and in the United States. The change began to emerge in the United States in the late 1970’s, when continued high crime rates culminated in political pressure to put an end to the problem of criminal activity.
Political pressure to lower crime rates had begun to rise because “the coming of age of the baby boom generation, increasing urbanisation, and other factors clearly contributed to a certain rise, and clearly a strong perception, that crime was increasing” (Mauer in Garland.2001.8). These broad social trends, however, were overlooked when a solution to the perceived rise in crime was sought. Instead, those in political power increasingly blamed the court system for contributing to increased criminal activity through its perceived lenience in sentencing offenders. Political authorities began to introduce mandatory sentencing and fix-term sentences in order to be seen to be acting on the perceived crisis (Mauer in Garland.2001). The new sentencing regime limited the flexibility that courts had traditionally held in determining how to sentencing an offended. A court now, for example, was legally obliged to sentence an offender to a minimum jail sentence, thereby making alternatives such as community service less available to the judicial system.

The new drive towards harsher sentencing marked a change in the judicial practices in the United States. In the early 1970s, a reduction in the prison population was seen to be the ambition of society (Mauer in Garland.2001). It was a good thing to have a low prison population, and some commentators envisaged an America without prisons.

This climate disappeared in the late 1970s as crime levels became an important political issue. Elected officials either through public pressure, or through legislative change, began to seek out ways in which to politicise the criminal justice system. The strategy proved to be a successful one - politically and in the influence brought to bear on the criminal justice system. Fixed term sentences were brought into legislation thereby limiting the independence of the judicial system in determining how to sentence offenders. Mauer states “Beginning in the 1970s, we see a shift towards the use of determinate sentencing in a variety of forms and its attendant consequences on power relationships within the court system.
and, perhaps more significantly, on public perceptions of issues of crime and punishment" (Mauer in Garland.2001.5).

Naturally, a fixed jail term usually meant a harsher justice system—being soft on offenders does not win votes (Huling.2002). Therefore, increasingly the only acceptable punishment for offenders became incarceration. The result of this was a rise in offenders being handed jail sentences leading to the incarceration boom, and then the prison building boom.

If the U.S. federal court system had been first to be influenced by the politicisation of its activity, it was the political pressure to sentence on the states that had the greatest impact on prisoner numbers. Langan states that “A major source of prison population growth overlooked by criminologists is rising chances of a state prison sentence following arrest” (Langan.1991.1568), pointing out that the U.S state prison system held some 92% of the national prison population (Langan. 1991.1568).

In Australia, the same path towards the politicisation of the criminal justice system was followed, albeit a decade later. Grant states that an increase in the period 1988 to 1992 appeared “to be the result of the current Government’s law and order policy, which has seen an increase in police numbers and ministerial encouragement loud enough to reach the ears of the bench” (Grant.1992.5). Moyle continues in detail stating that “Taking the two-and-a half year period march 1988 (the month of the election of the Liberal/National Party Coalition Government) to September 1990, Australian Institute of Criminology figures reveal that the Australian Prison population increased from 11,430 to 13,668, an increase of 19.5%. Over 70% of this increase was produced by New South Wales, with a prison increase of 40% from 3950 to 5534 (8.7% for all other states combined)” (Moyle.2000.14). Political influence on the judicial system was resulting in increasing levels of incarceration.

What this increasing political pressure did was to place the prison system under pressure. In the U.S, many prisons had
found temporary solutions such as prisoner stacking and using inmates to guard other inmates (Besser and Hanson. 2006). However, a U.S federal court ruling forced the prison system to move towards the only other solution available to it- the construction of more prisons.

In Australia, the prison system had to expand to accommodate the rise in the prison population. The existing system simply could not safely hold the number of inmates housed in it. The political pressure brought to bear on the judicial system, and legislative changes such as mandatory minimum sentences ultimately created a problem that did not previously exist.

4.5 Consequences

The prison and incarceration boom had a number of consequences for society and for the economic future of regional areas. Primarily, these phenomena have changed society’s view of the criminal justice system and have led to a change in the spatial distribution of correctional centres. Beyond those impacts, the rise of the number of prisons has led to greater economic investment in housing offenders.

The increasing use of the prison as a means of punishment by the criminal justice system has resulted in changing social perceptions of the role of the prison in society. Cavadino and Pignan state, for example, that “the dominance of imprisonment within our penal tradition is further reinforced by a tendency to conceptualise all non-custodial penalties as alternatives to imprisonment rather than as appropriate sanctions in their own right” (Cavadino and Pignan.1997.11). Today, all sentences except imprisonment are popularly seen as being lesser sentences. As such, the political pressure to select imprisonment as a punishment for offenders is ever-present.

The rise in the use of incarceration has brought ever more prisons into non-metropolitan areas. Prisons, as high intensive land uses, require levels of servicing usually not available outside of metropolitan areas. As such, while the impact of a
prison on a metropolitan location might be minimal, the impact on a rural community is more significant. Communities can lose a sense of security by the planting of offenders in large numbers in close proximity to their town.

Finally, by shifting prisons away from cities, and therefore housing many urban offenders away from their family networks, some regional prison facilities can make the rehabilitation process a difficult one.

Ultimately, what legacy the prison boom has left is a vastly different prison system in terms of holding capacity and in spatial distribution. These legacies have significant societal costs associated with them.
5.0 The Role of Prisons in Regional Economic Development

5.1 Introduction

The rise of instances of the prison in part of regional recovery strategies is an economic approach that has been adopted by many regions in the United States and Australia. In the United States, some communities have based their entire economic recovery strategy upon the recruitment of the prison industry as a player in their local economy. In the majority of cases in Australia and in the United States the use of the prison as an economic development tool has been more measured. In most economic strategies involving the investment of the prison industry, attracting the investment of a correctional facility is one part of a broader strategy aimed at achieving regional economic recovery for that area.

5.2 Regional Development Theory

Regional development theory is about investigating the ways that the economy of the region operates. In doing so this theory seeks to provide some solutions for regions that are searching for a change in their economic fortunes.

In order to discuss the region and regional development more generally, it is necessarily to define, at some level, what the region is. Characteristics of the region are, however, unhelpfully diverse. With a multitude of links within and without these geographical areas, definitions are necessarily vague. As Haughton and Counsell have stated “what quickly emerges from this discussion is how fluid regional definitions are, even when simple administrative definitions of regions are adopted” (Haughton and Counsell.2004.7). Accordingly Scott can state that “each particular region is always a unique combination of empirical circumstances” (Scott. 1998.144). As such, the region can only really be defined on an individual basis, depending on the local cultural, social and economic links within a particular geographic area. A definition from the
Australian context states that the region is “refers to a geographic area that is usually smaller than a State or Territory but larger than a local government area” (Woodhill and Dore.1999.3). Although this definition leaves out details about regional linkages and unifying features, it is roughly correct in the Australian context.

Much of the recent discourse in this field has centred on the implications that the rise of the global economy has had on the role and the future of regions in the world economy. Indeed the emergence of globalisation has had important implications for the spatial arrangements of regions. To define globalisation, Kiely states that it constitutes “a world in which societies, cultures, politics, and economies has, in some sense, come closer together” (Kiely in Potter, Binns, Elliot and Smith, 2004). In such a world, the economic role of nations has been diminished (Cooke and Morgan.1998). In Australia, this manifested in industry deregulation, the international takeover of local businesses and the privatisation of many state owned assets. According to Keating such strategies have led to “the changing role of the state, economic and technical change, and a greater protagonism on the part of cities and regions themselves” (Keating in Scott (ed.) 2001.372).

Nations traditionally had based most spatial policy on achieving “balanced development within national economies with each region assured of its role in the national division of labour according to principals of competitive advantage” (Keating in Scott (ed). 2001.372). The diminishing ability (through a lack of finance in the global scale economy) of national governments to seek to achieve inter-regional economic parity has led to a greater aggressiveness by dominant regions (such as the Sydney Metropolitan Area) while exposing weaker regions, such as the Macleay Valley to economic decline. Stilwell states “some regions are evidently wealthier than others. Some experience faster economic faster economic growth than others” (Stilwell.1992.79). In the absence of government in maintaining some level of inter-
regional economic equality, regions that have natural economic advantages begin to assert their influence. This flexing of economic muscle is always to the cost of the poorer surrounding regions, and often leads to smaller regions being overwhelmed by the larger regions.

This regional divergence has handed responsibility for local economic fortune over to the region. The fact is that “regional conditions have become far more varied and the processes driving them more complex” (Collits.2004.87). This reality has made traditional national or state government regional development strategies redundant primarily because of the difficulties that the larger government body faces in responding to the complex local conditions (Blakely and Bowman.1985.1). The role that governments now play is often limited to that of being a facilitator of local development. Initiative in developing regional development strategies must now come from within the economically depressed area. This is because “globalisation tendencies have served to reemphasise the importance of place-making activities at local and regional scale” (Haughton and Counsell. 2004.35). National and state government attempts at region level economic recovery strategies, operating in the absence of local ambition, have typically failed in the longer term. According to Collits, policy developed with this in mind “should attempt to influence [regional development] in partnership with locally driven strategies and objectives” (Collits.2004.89). By facilitating and encouraging local business development, local acumen and ambition can be harnessed to assist in the recovery of a region, rather than those seeking to achieve being forced to leave an economically struggling area because of a lack of opportunity.

When there is discussion about the prison and its role in the regional economy, that discussion is about the traditional government subsidy or investment based approach to regional economic development. This is the imposed or top-down approach to economic development. The question of whether such an approach can provide an economic boost to a region is linked to whether the pursuit of a prison will ultimately
constitute a viable action towards the goal of driving a region-wide economic recovery.

Regional development literature is clear on the potential of outside driven, particularly government driven, economic recovery strategies. The literature would suggest that such externally motivated approaches do not work, if only because government does not have the necessary level of control or the financial muscle to subsidise the economic transformation of an entire region (Blakely and Bowman, 1985). This problem is further emphasised when government has responsibility for many economically depressed regions state-wide and nation-wide (as in Australia and the U.S).

However, even Sorensen (2000, 19), a sceptic of the ability of government to intervene in the fate of a region, has conceded that government investment in infrastructure can be a driving force towards regional economic revitalisation. The development of a correctional facility, particularly in a low-population, non-metropolitan region does constitute a significant investment in infrastructure by a government. The success or failure of such an investment in stimulating regional development, however, also has much to do with the economic situation in the local community, and the way that such a facility is brought into a region.

5.3 The American Experience: Hope for Economically Depressed Regions

The extensive literature on the North American experience of the impact of the prison on the economies of economically depressed regions suggests that the success or failure of a prison playing a part in regional development, is reliant on what precise role that prison is intended to play in that economic development strategy and how the local community has structured its economy.
In the United States, some communities have relied almost entirely upon the development of a local correctional facility to bring about economic recovery. As Hooks, Mosher, Rotolo and Lobao state, “Prisons look very attractive to hard-pressed communities” (Hooks, Mosher, Rotolo, Lobao. 2004). This is because “Localities that invest in prison recruitment do not share the risks of those investing in sports franchises or auto manufacturing. While sports franchises may leave for greener pastures, and auto manufacturers fail or experience serious downturns, the prison industry appears to have a bright future as more and more Americans are being sent to prison” (Blankenship and Yanarella. 2004.185). Prison development is certainly a growth industry in the United States. And prison development has delivered some regional development success stories. According to Beale, “55 of the 500 rural counties that gained population over the past decade after losing people from 1980 to 1990, had built prisons” (Beale in Jossi. 1997)- although often that increase was caused by the inmates in the new prison and are recorded as residing in that locality (Parenti.1999.213).

In some regions, the prison strategy for economic recovery has been so successful that the prison industry has come to dominate the local economy. In Crescent City, for example, “the emerging American police state means economic survival. Pelican Bay provides 1500 jobs, and annual payroll of $50 million, and a budget of over $90 million. Indirectly, the prison has created work in everything from construction and pumping gas to domestic violence counselling. Just the contract for hauling away the prisons garbage is worth $130,000 a year- big money in California’s poorest county” (Parenti.1999.213).

5.4 The American Experience: Doubts and Questions
A number of recent American studies, with a focus on economic indicators and the impact of correctional centres on such indicators, have raised some doubts about the level of the economic impact a new prison has on its region. Blankenship and Yanarella, for example cite the case of Freemont County Colorado: “Despite the siting of several prisons within its boundaries, Freemont County [Colorado] received only minor benefits in job creation when a federal prison complex and state prison were built in the vicinity. Although some local enterprises were awarded construction contracts, many construction needs exceeded local firms’ abilities and only outside contractors with the necessary expertise and capabilities bid and received the largest and financially most profitable contracts” (Blankenship and Yanarella 2004.188). In a study of the upstate counties of New York, where prison hosting counties were compared with those without prisons, King, Mauer and Huling, on behalf of The Sentencing Project, found that “the siting of a prison did not significantly influence either unemployment or per capita income. Moreover, once a town hosts a prison and becomes known as a “prison town”, discussion of other means of economic development is likely to evaporate” (King, Mauer and Huling, 2003).

This finding is supported by the work of Hooks, Mosher, Rotolo, and Lobao, whose analysis of all U.S counties from 1969 to 1994 found that “claims that prison construction accelerates local economic development fly in the face of mounting evidence that state and local initiatives rarely impact growth: and these claims are contradicted by our analysis” (Hooks, Mosher, Rotolo and Lobao 2004). Furthermore, this analysis found that prison construction and expansion impedes growth (Hooks, Mosher, Rotolo and Lobao 2004). The authors of the study suggested that this may have been because of the effect of “prison building crowding out alternative economic activity” (Hooks, Mosher, Rotolo and Lobao 2004).

These studies question the accepted notion that the prison can spur significant economic development through their presence
in a community. However, a number of important mitigating factors must be considered, not taken into account in these larger scale analyses. The majority of the U.S. counties that have sought out prisons have been hard pressed— as Huling states “Communities suffering from declines in farming, mining, timber-work, and manufacturing are now begging for prisons to be built in their backyards” (Huling. 2002). These areas are therefore already in economic free-fall— as Parenti states “new prisons seem to gravitate towards the terrain of economic devastation” (Parenti. 1999. 214). When comparing all other counties with prison counties, it is not surprising, given that prisons are being constructed in poorer counties, that the economic growth of such communities would be lower and broader economic health worse.

The findings of these analyses do indicate, however, that regions suffering economic decline should not look on the prison as a panacea. Perhaps the truth of the matter lies somewhere between the extreme of the prison acting as an economic catalyst, and the prison being an economic drag on a community. Farrigan and Glasmeier, for example, state “the economic impacts of the prison development boom on persistently poor rural places, and rural places in general, appear to have been rather limited” (Farrigan and Glasmeier. 2005. 24).

This is supported by the earlier findings of Smylka, Cheng, Ferguson, Trent, French, and Waters in their conclusion that “when economic well-being is measured by such indicators as population growth, total employment, per capita income, retail sales, property value, farm acreage and value, school enrolment, crime rates, and juvenile court cases, no negative effects of the prison have been identified, and positive improvement is seen in some of these areas (Smylka. 1984. 539).

What is clear from the U.S experience is that the prison should be treated by local communities and the regional planning authorities for what it is: a land-use with some external
Impacts. It has been the excessive enthusiasm of potential host communities of correctional facilities, combined with the marketing programs of prison development bodies that tend to impose unrealistic economic expectations on this form of development. Besser and Hanson, for example, state that “The relocation of prisons from metro to rural locations happened with the consent and indeed enthusiastic support of rural community leaders” (Besser and Hanson, 2006). Local communities have offered small fortunes to prison builders in order to attract their facilities. Fort Dodge, Iowa, for example offered $500,000 U.S. raised privately, to attract a facility (Besser and Hanson, 2006) while Abilene, Texas “offered an incentive package of over $4 million to the state [prison authority]” (Ryan, et al. 2003). The effort going into the pursuit of these prisons is clearly disproportionate to what a prison facility can deliver economically to a depressed region.

Examples such as Abilene and Fort Dodge, although perhaps extreme, serve to highlight the importance of making economic decisions for regions on the basis of the conditions in that particular region. The regional development theorists have long pointed out the importance in developing any regional recovery strategy, of tailoring the policy response to what the problems and challenges are at the region level. One-size-fits-all does not work in regional economics (Collits, 2004).

5.5 Australia and the economic prison

In Australia, the prevailing approach towards correctional facilities as drivers of regional development has been more measured. Prison authorities, perhaps tempered by the experience in the U.S and elsewhere, require that communities that are seeking prisons on an economic recovery basis show that the construction of a correctional facility is seen as part of a broader economic strategy (DCS, 2001). The civic leaders of Kempsey, and the Macleay, for example, were required to tender for the right to host a correctional facility. In so doing,
the body responsible for tendering was required to make the case for the facility being built in Kempsey on the basis of the value that a new correctional facility would bring to the community and region.

A second difference in the Australian prison development landscape is that most of the prison authorities are government operated. Those that are not operated by the government are beholden to the government run corrections authorities. As such, prison development in Australia, done by the government, is not likely to be undertaken purely on economic terms. As such, the problems associated with the over-eager pursuit of prison facilities by economically depressed communities have not manifested in the Australian experience.
6.0 The Impacts of the Prison as a Land Use

6.1 Introduction

The move by prison authorities to locate a good proportion of their offender holding capacity in non-metropolitan areas has had impacts other than the economic. Prisons, like any intensive use development, bring with them a variety of real or perceived impacts for surrounding land uses and the surrounding region.

6.2 Regional Level Impacts

For non-metropolitan regions, the arrival of a correctional facility can make headlines across the entire locality. The construction and development of prisons are news in any locality, and in non-metropolitan regions, where investment is often drying up; the arrival of a prison naturally attracts media attention. The development of a prison in a regional area is an event that impacts on the regional psyche (Maxim and Plecas.1982). People in all parts of the region know about the development, they remember when it was constructed, and have an opinion on the role facility in the local community.

Community Bonds

The public nature of the prison development process means that the development of such a facility can lead to community debate over the merits of developing such a facility. Che, discussing the case of a prison developed in America’s Forest County, Penn. indicated that the siting of the facility “would initiate a struggle over the increasingly consumption oriented countryside” (Che.2005.825). Tree-changers and long-term local residents began to clash over the development of a prison- the tree changer community steadfastly against the development while long-term, largely unskilled local residents saw the prison as being a way in which to retain some level of economic sustainability. The development process in this case, led to some damaging community divisions that would impact on the quality of life in the county.

Forest County is not alone in having a prison facility cause such community division. Clement (2002) writes that “many small towns have been torn apart by prison proposals as residents fear prison
escapes, lower property values and unwelcome families that might follow inmates to town” (Clement.2002). Blankenship and Yanarella state “with regard to its impact upon civic culture and social capital, most research suggests that on balance the siting of prisons in a small town or rural locale tends to erode, not buttress, community spirit and social bonds” (Blankenship and Yanarella. 2004). The impact on the community bonds, caused by the mere proposing of the development of a prison somewhere in the region is certainly an important, if not entirely tangible, potential impact on the region as a whole.

**Stigma**

While there is no effective measure of the level of stigma attached to a community hosting a correctional facility, the comparative economic underperformance of many prison hosting communities has led to speculation about whether the image towns or regions with correctional facilities is disadvantaged by having such a facility. Huling states that “Prisons can also discourage other kinds of economic development. The lack of amenities in a town, coupled with the dominance of a prison on its social and economic landscape may discourage other industries from locating in the town” (Huling in Mauer.2002). She sites the case of California, where prison towns have difficulty in attracting alternative investment.

Huling seems to be supported by the findings of a number of U.S economic based analyses of prison counties in comparison to counties with alternative income streams. Hooks et al. (2004) found that “prison construction and expansion impedes economic growth” (Hooks Et. Al. 2004) in a study of data for all U.S counties from the period 1969 to 1994, however they contend that this may be caused by local investment being entirely geared towards serving the correctional facility. Similarly, King, Mauer, and Huling (2003) conclude that towns seeking prisons may be “closing themselves off to other options of sustainable development” (King Et. Al. 2003), and suggest that one of the reasons for a loss of investment potential being the stigma associated with the correctional facility.

Australian experiences of prisons and the stigma associated with them has been limited. This is perhaps because the Australian prison construction boom has been smaller in scale, and more
recent than in the American experience. Certainly in New South Wales, only two prisons situated for strategic economic reasons, Junee and Lithgow, have been built and operating for a significant period of time.

The stigma associated with prison development has, however, concerned some residents of host communities in these townships. As part of the conditions of its development approval for the Lithgow Correctional Centre, the Department of Corrective Services NSW (DCS) was obliged to prepare socio-economic assessments measuring impact of the prison on the community. One impact that had to be considered in that study was stigma. The report for the DCS states on the possibility of Lithgow attracting a prison town stigma that “all available evidence suggests that the presence of a correctional centre in Lithgow has no negative impact on the image of Lithgow, nor has the centre stigmatised Lithgow in anyway” (BBC Consulting Planners. 1998). Another study, also commissioned by the DCS for the Junee Correctional Centre, found similarly that the presence of a correctional centre had not led to the town being thought of as being a prison town (Environmentrics. 1998). These studies would suggest that the issue of prison stigma is not a great concern in New South Wales. However, that must be tempered by the fact that both studies were commissioned by the DCS, the department responsible for the development and operation of New South Wales prisons, including those Junee (indirectly) and Lithgow.

“Camp Followers” and Prison Related Migration

Perhaps one of the greatest ironies of the coming together of the prison development industry and economically depressed non-metropolitan regions is that although the residents of the depressed communities want the economic growth that a facility like a prison may bring with it, they are fearful of the potential for new populations to move into town. Of particular concern to residents of Kempsey, for example, was the possibility that the prison would bring with it the migration of ‘undesirables’ – visitors to the correctional centre, and relatives of inmates (MNCCC DA. 2001). This concern is echoed in the American experience of the prison and the non-metropolitan host community.
In the U.S, the concern about prison induced migration extends beyond the so-called ‘camp followers’. In some cases, residents of host communities have expressed concerns about the loss of community occasioned by the arrival of corrective industry employees in town- and resentment that jobs being provided at a locally subsidised correctional centre are going outside the local area. Carlson discusses this saying “When the residents of a community agree to host a prison they are in effect giving the community for corrections to use it. This is seen as a not inconsiderable contribution by most residents and they expect to receive in return certain priority rights to jobs, prison purchases, and other prison benefits.” (Carlson.1992). Employment generated by the prison facility going to people from outside of the host community therefore can be considered by host communities as a breach of trust.

Primarily, however, the concerns about migration relates specifically to those relatives of prison inmates.

Clement (2002) discusses the beliefs of local business owners in small town prison communities, and quotes one local auto-dealer as saying “prisoners families sometimes follow them. That’s not introducing an element to our community that you can build on” (Clement. 2002.8) However, in the case of such ‘camp followers’, perception would seem to have outstripped reality. Besser and Hanson state “The arrival of “camp followers” to prison towns is not a major problem” (Besser and Hanson. 2006). Carlson agrees with this statement: “negative consequences such as the arrival of inmate family members....are unlikely” (Carlson.1992).

Generally, however, the concerns that local communities hold relating to prison linked migration is not as much to the reality of migration into the community of ‘undesirables’, rather Krause (1992) contends that local fears of prison based migration are as much about damage being done to their community bonds as it is about who is coming in with the prison. He argues that the fear of outsiders is as much related to outsiders coming into the community and unsettling status arrangements as it is about who is migrating.

Regardless of the motivation behind the concern about the arrival of prison related migrants, there is little doubt that it is a concern
raised in any community that is being offered the choice of hosting a prison.

Traffic, Increases in Land Values, and Local Business ‘Replacement’

With the coming of a new corrections facility, many smaller communities do experience some economic growth. Once again, an irony exists that although local residents, in particular the local business community, are seeking economic recovery; they are not always prepared for the problems that are associated with economic growth.

The problems associated with a community that is growing are that it is busy, more expensive to live in, and that larger scale commercial operators see the community as a place that is worth investing in. For residents of the town and region, they feel these changes in a loss of locally owned and operated businesses, traffic, and increased living costs through rising rental costs (Che.2005).

Traffic brought to a community by the development of a corrections facility includes the prison employee traffic- many of whom are likely to commute to work in the community, the prison operations traffic- such as the transportation of inmates, and traffic created by the need to service the prison with supplies- and traffic associated with visitors to the correctional facility. This guaranteed passing traffic has in some cases (Che.2005) led to local businesses facing competition from larger corporate operators who are seeking a slice of the new market. The ‘replacement’ of local businesses with chain operated stores is often inevitable.

As the prison town now can offer more services- through the larger scale chain stores, the town, ironically becomes a more desirable place to live- that is, its ability to offer a set of services has improved. This naturally results in higher land values and rental values, certainly values higher than they were prior to the development of a prison- as most prison hosting communities sought prisons to break a cycle of economic hardship. With many residents still unemployed, the rise of rental fees can cause hardship to many in the local community and force them to move out.
What is clear from the resident dissatisfaction brought about by traffic, local business replacement and increasing rental costs, is that even if a prison is economically successful, a community that does not prepare for the changes that the prison is catalyst for, may find that the new competition regime for housing, the business dollar, and the lane on the road is not the success that had been anticipated. To the contrary, many communities become disillusioned with the new-found local growth, and realise, perhaps too late, that facilities like correctional centres may bring investment into the local area, but that there is no guarantee that that investment will end up in local hands (Huling.2002).

6.3 Local Level Impacts

A number of studies have found that there is differing levels of concern about prisons within a prison hosting community. It has been found that this level of concern is influenced by the proximity of the respondents to the correctional facility (Martin and Myers.2005,). This is not surprising given that those nearest to any major facility are the most likely to acutely feel the local impacts relating to the daily operations of that facility. In the case of a correctional facility constructed on what would typically be former agricultural land, the new facility clearly represents a significant increase in the level of intensity of use for that particular parcel of land.
Above: The Mid-North Coast Correctional Centre has had its local impact mitigated by extensive tree planting.

The impacts a large scale prison can have on the surrounding area range from the problems associated with the eminently practical operation of the correctional facility, and extend to the less tangible impacts, such as increased perceptions of crime, many of which are also impacts felt in the broader region.

The operational impacts on the area immediately around a correctional facility include increased traffic, increased noise, and issues relating to the servicing of the prison- effluent disposal issues, rubbish removal, food supply and prisoner transportation. In many cases of prison construction, the presence of an imposing correctional facility on the rural landscape somewhat damages the sense of local amenity.

The reason that strongest objections to the development of a prison in a rural area typically come from around it is not difficult to discern. It is, after all, the local area that will most feel the impact of the new facility. Given that the negative influences of a prison will be reflected in the land values of the locale around the prison- including such concerns as prison stigma, fear of crime, and a loss of local amenity- residents from the immediate area around the prison are also feeling the impact of the prison economically through a loss of local land values (Maxim and Plecas.1982).
It is therefore no surprise that residents from the area immediately by the correctional facility are the most likely to express concern about its development.

Generally speaking the impacts associated with the development of correctional centres in communities need to be assessed in the same manner that any other land-use would be assessed. Prisons are large scale facilities, and have the potential to have a great detrimental impact on their environs if their impacts are not adequately managed.
7.0 Kempsey and the Mid-North Coast Correctional Centre: Background

7.1 Introduction

The town of Kempsey, situated half way along of the mid-north coast of New South Wales, is known as the home of the Akubra hat, the late country music star, Slim Dusty, and as having been the once time home of the author Thomas Kenneally. Kempsey is a town that has been largely built on the cattle and timber industries, and has risen and suffered with the varying fortunes of the timber and cattle markets. Like many regional centres across Australia, the main economic base for Kempsey therefore has come from primary industry; however the town also has a significant manufacturing sector.

Kempsey- the township- is located on the northern banks of the Macleay River around 430 Kilometres to the north of the New South Wales state capital, Sydney. The commercial activity in the township itself is divided into two sections (east-west) by the Sydney to Brisbane Railway. West Kempsey was originally established as a government town and is where the major government services are still situated today (including the Council Chambers, Post Office, and hospital). The other portion, known primarily as Kempsey is where most of the commercial activity in the town takes place. It is through Kempsey that the major Sydney to Brisbane traffic artery, the Pacific Highway runs.

Kempsey, as a settlement also is divided by the Macleay River. The services of the town are predominantly situated to the north of this natural barrier in Kempsey and West Kempsey, however, the suburb of South Kempsey, and in it the town cemetery and main visitor information centre are located. The southern and northern sections of the town are connected by the Pacific Highway bridge over the Macleay.
Above: Kempsey Commercial Centre (Liam Frayne 2006)

Above: The Pacific Highway crossing of the Macleay River, Kempsey (Liam Frayne 2006)
The greater shire of Kempsey also includes a number of satellite centres of the township of Kempsey. To the north lies the small but growing village of Frederickton, connected to Kempsey by the Pacific Highway. To the east is the fishing village-cum-tourist centre, South West Rocks. Beyond these villages are the minor settlements of Stuarts Point, Grassy Head, Hat Head, Crescent Head, Gladstone, Smithtown, and Clybucca. The township of Kempsey is by far the most dominant centre in the shire- economically, politically and culturally.

The town of Kempsey was established in the 1830s, originally as a private town and river port meant to serve the regions early European timber-getters and fledgling squatter runs (Neil.1972). In the following 170 years, the settlement has grown to house a population of around 28,000. Kempsey now operates as a regional service centre to the Macleay, and as a home to small scale manufacturing operations. The town’s economy is also complemented by the trade that the passing traffic that travels along the Pacific Highway which is one of Australia’s busiest inter-capital thoroughfares.

7.2 The Macleay Economy

Despite being supremely dominant economically in its own locale, Kempsey is a centre that is struggling to come to terms with the onset of the globalisation of primary industry. Built on the back of primary industries that were long protected by government from international competition, Kempsey’s fortunes have fluctuated in recent decades as the industries on which it is based restructure. By 1998, the town had an unemployment rate of around 15 per cent (Department of Employment and Workplace Relations). Although this has since declined to around 10 per cent, this rate of unemployment is still the second highest among the comparable shires of Hastings (Port Macquarie), Greater Taree (Taree) Grafton, and Nambucca (Nambucca Heads) from the north coast of New South Wales (only the Nambucca, a shire lacking a large commercial centre, has a higher level of unemployment). In the last decade, the town has witnessed the closure of a United
Dairies factory and a Laminex plant. Forestry as an industry in the Macleay has also been going through a lean spell, as the restructuring timber industry has left the nearest milling point at distant Grafton (DCS.2001).

A significant part of the problem facing those who would seek to improve the economic outlook of the Macleay is that Kempsey and its region have fallen in importance in the regional hierarchy as economic regions have consolidated with globalisation. Smaller in size than nearby Port Macquarie, and less well situated to attract much of the tourist dollar (Kempsey is not on the coast and is further from Sydney) Kempsey, which is clearly dominant in the Macleay, is not nearly so influential in the Mid-North Coast region.

As part of the changing regional hierarchy, Kempsey has found itself with an airport lacking commercial services (Slappendel.2001a) - compensated only by a shuttle service to nearby Port Macquarie, a railway station (which once underwrote the towns local dominance) serviced only by the expensive and (following the rise of budget airlines) poorly patronised Countrylink Sydney-Brisbane trains, and numerous in town shopfronts in want of tenants. Although the town has two supermarkets- a Woolworths and a local Co-Op run IGA, banking services, a Big W, local businesses are generally small, independent and locally run. The town has no major shopping centres whereas neighbouring Port Macquarie has a number of them, all full of franchises or chain-operated businesses.

Kempsey has services that would have drawn people in decades ago, but these are no longer at a good enough level. As Port Macquarie grows, Kempsey is becoming more akin to a satellite town of its larger neighbour. An article in the Macleay Argus, for example, quotes one local business man as saying “over the years I’ve seen many services lost to Port Macquarie and these certainly have had a detrimental effect on the town” (Slappendel.2001) . People from Kempsey and its shire travel to Port Macquarie to access the superior level of servicing available in the larger centre.
Kempsey business (above) has struggled to come to terms with the economic shifts brought about by the deregulation of primary industry (below).

Port Macquarie can offer a large variety of options to consumers, Kempsey, only a couple of options. Those small businesses that have survived typically only service the basic needs of food, petrol, news (newsagency), automotive repairs, and medical services. Many services are simply not available in
Kempsey, making it necessary for local residents to access them in Port Macquarie. The lack of direct air services is an example of a service that can only be accessed by looking outside the region.

Kempsey’s economy today is based, for the most part upon manufacturing, retail activity and construction (ALGSA. 2003). Important, but not as significant local industries are wholesale, tourism and services. However, manufacturing and retail are by far worth the most in terms of the regional economy.

The reliance on manufacturing leaves Kempsey as vulnerable as it was in the time that the local economy relied upon the primary industries. Manufacturing in Australia has long struggled to establish itself in the face of international competition, and is as vulnerable to global trends as agriculture and the other primary industries. Furthermore, manufacturing usually locates where costs for employment and land are lowest—while still being able to access powerful markets. As such, the employment provided in manufacturing would typically not be high paying.

The outlook for Kempsey has, however, improved from the late 1990s, when the town first tendered to host a correctional facility. In the intervening period, an economic improvement has been brought about by the town’s recovery from the destruction of its primary industry economic base, and with the sustained growth of the Australian economy more generally. Most recently, high petrol prices, drought, and the slowing of the New South Wales economy have all served to create a slow period for business.

7.3 The New South Wales Incarceration Boom

At the time that Kempsey was at its lowest ebb, the New South Wales Department of Corrective Services was facing challenges of its own. Following record levels of incarceration, its existing facilities were struggling to cope with the influx of offenders. As the largest state in Australia, New South Wales had already faced the greatest challenges in housing offenders. With the
incarceration boom, the New South Wales Department of Corrective Services was forced to accommodate a prison increase of 40% in the period 1988-1990 alone (Moyle.2000.14). Between 1989 and 1996, the increase in the prison population was nearly 60% (Justice Action.2006). New South Wales today houses 39% of the total Australian prison population (ABS.2004). The growth in the NSW prisoner population has since slowed, but still increased 20.9% between 1995 and 2001 (Ryan.2002).

In order to facilitate this increase in prisoner population, the New South Wales Government embarked on a prison construction and expansion program. This program included five new prison sites that were to be located in regional New South Wales- with the express intention of giving the prison system the capacity to house inmates near their home communities (DCS.2001). The first of these was awarded to Lithgow. The second was to be located somewhere on the Mid-North Coast of New South Wales- somewhere in between the existing correctional centres at Cessnock, west of Newcastle, and Grafton, in the far north of the state. It was this proposed correctional facility that was ultimately to be constructed in the Kempsey Shire.

7.4 Kempsey: A prison over the horizon

Kempsey and the Department of Corrective Services first became involved with each other when the Macleay Valley Economic Development Trust, a local body established with the express purpose of facilitating economic improvement for the Macleay, drove the community to tender for the right to host a correctional facility in 1998. A year later, in December 1999, the Kempsey shire was selected as the site to host the proposed Mid-North Coast Correctional Centre. This was initially intended to be a small, 350 bed correctional facility, housing a mixture of low, medium, and high security inmates.

The rationale behind the selection of Kempsey was threefold. First, the region had an economic need that might be helped by the establishment of a correctional centre in the region- with
the employment and population increase related to such a facility. Secondly, Kempsey was well situated—being almost half-way between the nearest two other correctional centres at Grafton and Cessnock. Finally, Kempsey is home to a large indigenous population, and has long had relatively high crime rates. The siting of a prison in Kempsey (and indeed, on the mid-north coast) was intended to help in the inmate rehabilitation process by enabling inmates originating from the area to be able to spend their sentences close to their family or social networks. This third rationale was informed by numerous reports regarding Aboriginal deaths in custody, and was intended as one measure to counter that trend (DCS.2001).

The next stage of the prison development process involved the selection of a site within the Kempsey Shire that would be suitable for the development of a correctional facility. A number of options were considered before the Department of Corrective Services settled on one option, formerly used for agriculture, at Aldavilla, to the west of Kempsey—and the location of the seldom used Kempsey airport and a number of rural-residential style allotments. The selection process for the siting of the prison involved community and local stakeholder consultation in February 2000, the development of a short list of options—possible sites for the development of the correctional centre—in March 2000, and ultimately, the decision to locate the prison at Aldavilla in July 2000.

The selection process and the final decision to locate a prison at Aldavilla were not without controversy. The Macleay Argus, on April 4, 2000, reported that “there was increasing concern amongst Aldavilla residents over the proposed site of the new prison” (Macleay Argus.2000a). On June 2, 2000, the Argus also reported on a protest against the proposed correctional facility. The Argus stated that “A crowd of around 20 Aldavilla residents assembled at the airport to express in numbers their opposition to the goal being located in their neighbourhood” (Macleay Argus.2000b). Although small in numbers, the roll out at the protest represented a significant number of the households in the small community of Aldavilla. When the Department of Corrective Services made its final site selection,
the Argus reported that “Aldavilla residents were angered by the decision and formed an action group to fight the location. They believed the site selection process was flawed” (Macleay Argus.2000c). However, in spite of their efforts, the localised protests were unsuccessful in halting the development of the Mid-North Coast Correctional Centre.

7.5 The Development Application

On November 9 2000 it was reported to Kempsey Shire Council that the development application (DA) for the Mid-North Coast Correctional Centre had been submitted to the then Department of Urban Affairs and Planning of the New South Wales Government (Paterick. 2001a). At this time, negotiations were taking place between the Department of Corrective Services and the Kempsey Shire Council over which body would take on responsibility for the servicing of the site with road access, sewerage, and water supply for the correctional facility. Ultimately the Council was asked to take on the cost of the upgrading of the intersections in the area of the proposed correctional centre. In a meeting of the Kempsey Shire Council in February 2001, the Council voted to make financial contributions to the upgrading of the roads around the facility (Paterick. 2001b).

The decision was an important one- and the then Kempsey mayor saw it as such “Cr Mainey [Then Kempsey Mayor] told the Macleay Argus on Wednesday one of the reasons that Kempsey got the gaol was because it was an underprivileged area. He said it was never envisaged that council would have to make any financial contribution to the costs” (Paterick. 2001b). By taking the decision to financially contribute to road upgrades, the Council was treating the Department of Corrective Services with a favouritism not extended to other developers-who were typically expected to contribute to road upgrades necessitated by their development activities (Paterick.2001.b).

With residual issues resolved, the development application for a 350 Bed Correctional Centre was approved by DUAP on 20
February 2001. It was anticipated that the cost for the construction for the facility would be $77.5 million (AUD) (DCS.2001).

The Consultation Results

As part of the consultation process for the development of the correctional facility, the Department of Corrective Services undertook consultation with local residents to identify what concerned locals about the development of a correctional centre in their Shire. The development application identified the areas of concern arising from that consultation process. The community concerns included:

- the potential increase in the number of ‘undesirables’ visiting the gaol (and thus the community)
- The potential increase of drug and criminal related activities
- The proximity of the gaol to nearby housing
- The potential impact on property values
- The problems associated with an increase in traffic volumes
- increased noise impacts
- The potential of inmate escapes and the potential risk this would pose to local families and property
- The potential for ex-inmates to settle in the Kempsey area after their release
- The potential for the town to attain a negative ‘prison stigma’
- The potential for such a stigma to impact on tourism
- The disturbance that the development of a correctional facility would pose to the rural lifestyle of Aldavilla
- The potential for families of inmates to move into the area
- The risk that the benefits gained by hosting a prison might be lost to neighbouring communities

(DCS. 2001)

These concerns are in line with what the international prison development literature suggests are the most common concerns held by residents of towns likely to host a correctional facility, and have been discussed earlier. However, the concerns raised highlight how the development of a correctional centre in a regional area can heighten perceived risks of crime.

7.6 Construction and Operation

Construction of the Mid-North Coast Correctional Centre began in late 2001. At the time, the Senior Assistant Commissioner of the New South Wales Department of Corrective Services stated that “the prison population is increasing so fast that if the new Kempsey gaol could be built tomorrow, we would fill it immediately” (Slappendel. 2001b). Indeed, just one year into the construction of the new correctional facility, it was decided that the approved prison would be too small to meet the pressing needs of housing the burgeoning prison population. A second Development application was submitted, seeking permission to construct and extra 150 beds and 80 extra car parking spaces. This would bring the total inmate capacity to 500. The new development application was subsequently approved and work on the amended plan was carried out.

During the construction period, the correctional centre employed 250 labourers’ onsite, as well as an extra 500 workers in other industries off-site to supply the construction site with materials and services. This level of employment was maintained up until the commissioning of the Correctional Centre in 2004.

The Mid-North Coast Correctional Centre opened in early 2004. The centre is named and located such that its presence does not overwhelm the town itself, and is hidden from view by
some 43,000 trees. The Correctional Centre is not signposted in the town, and it is only on the road towards it that signs have been placed. The intention is that by taking these actions, any risk that stigma might become attached to the town is prevented.

The centre employs 140 people on site (Macleay Argus, 2002), and has brought visitors to the Macleay for the purpose of prison inspections. Furthermore, the New South Wales Government has made legislative changes to allow the Correctional Centre to be serviced by local companies in preference to more competitive tenders to provide services from outside the region. This has ensured that many of the financial benefits of hosting a correctional centre are felt in the local shire.

Ultimately, the presence of a correctional centre does not seem to have had a major impact on the township of Kempsey or on its psychology. Even in the locality of Aldavilla, with the exception of increased traffic, the prison does not seem to have had a significant impact on its immediate environs.
8.0 Kempsey: On Site Research

8.1 Introduction

Extensive research has been conducted on the relationship between the correctional centre and the non-metropolitan area in the United States. However, only a limited number of Australian studies have been conducted on the phenomena. The main goal of the research in this thesis is to investigate, in a shallow way, the relationship between a host business community and a correctional centre from the perspective of the business community. The literature in this thesis has sought to answer the following research questions:

- Can a prison be successfully used as an economic development ‘engine’, and in what circumstances?

- What impacts do prisons bring a local community- socially, economically, and environmentally?

- Does the construction of a prison in town affect a region’s sense of itself- that is, does it bring with it a stigma?

These three research questions aim to test whether the pursuit of a correctional centre by the Kempsey Shire was the right decision for that community. However, as the field research has been focused on the opinion of local small business operators, the research question for the field research has been revised into:

- How much does the construction of a correctional centre in a regional area impact upon the small business psyche in that area?

The health and confidence of small business in a particular region is like an economic early warning device. If small business is struggling and lacks confidence in the future, it is likely that a region is not in a strong economic state. By focusing on the small business attitudes towards their region’s
economy and the impact of a correctional centre on the local community, it is thought that it will be possible to gain some level of understanding of the impact that the correctional facility has had on the region—economically and socially.

8.2 Methodology

In order to gain an overview into the impact of the Mid-North Coast Correctional Centre on the Kempsey community, small business surveys were conducted. The surveys involved on-street interviews with local small-business operators. The responses to these surveys provided, as intended, insight into the way that the correctional centre is perceived in the town, and to what extent that facility has entered the business psyche of the town—that is—how significant has its impact on the local business community been. This helped to see whether the prison has become a significant player in the local economy.

On-Street Business Surveys

20 small business related surveys were conducted. The intent of these surveys was to identify how far the business owners felt that the prison had influenced the local economy, and how relevant it was to the overall economic health of the town.

10 questions were developed relating to the general business conditions in Kempsey before and after the development of a correctional centre in the town. The questions asked are listed below, with the reasoning behind their inclusion in the survey.

Survey Questions

1) How would you describe current business conditions in the town?

This question is intended to find out the current economic environment in Kempsey. Pro-Prison development literature has led many communities to believe that a prison will revive
their economic fortunes. The question seeks to find out if Kempsey is currently struggling or is booming.

2) **What do you consider the main reasons for conditions being as they are?**

This question aims to test the importance of the correctional centre to the local economy and small business community. It is expected that some reference will be made to the facility by respondents. If it is not referred to, it is hypothesised that this is because the facility has not had a really significant impact on local economic conditions.

3) **Are conditions now better or worse than six years ago?**

This question seeks a comparison before and after the development of the correctional centre. It is seeking to identify if any change, positive or negative, has occurred in that period.

4) **What would you say has changed most in that period?**

Should respondents mention the correctional centre in this question, then it is likely that the correctional centre has had an important economic flow on effect to the region. If not, it is speculated that the facility has not had a particularly strong influence on local economic conditions.

5) **What impact would you say the Mid North Coast Correctional Centre has had on the town?**

The aim of this question is to identify how local business operators feel about the impact the correctional centre has had on their community.

6) **Do you believe pursuing the correctional centre was the right decision for the town?**

This question seeks to find out how local small business operators are disposed towards the correctional centre. Should the business owners harbour some intense feelings towards the
facility, it is likely that they will state them in response to this question.

7) Has the facility brought with it anything you did not expect?

This question seeks to identify the non-economic impacts that the correctional facility has brought with it.

8) How do you see the town’s economic future?

This question is an attempt to discern the confidence that small business has towards the future of their town. Many prison development authorities attempt to sell prisons on the basis they will change a struggling regions outlook, but the veracity of such claims is in doubt. The question should give some idea of local small business confidence.

9) What do you feel is the most important challenge for the Macleay in the future?

This question is an extension of the previous one. It seeks to pin down what the small business operators consider to be the greatest problem facing their region. It is expected that should the prison have had a major negative impact that it will show up in the responses to this question.

10) Do you see the prison as being an important part of the town’s future? Why/ Why not?

This final question seeks to test if local business operators see the correctional centre as an important player in the regions economy. If the local business owners do not, then it is suggested that the correctional centre has provided a one-off boost to the local economy, and not the long term improvement that many (albeit not the NSW Department of Corrective Services) prison development authorities suggest occur through the development of a correctional centre.
The purpose of these questions is to place the role of the Mid-North Coast Correctional Centre in the context of the broader Kempsey retail economy. Should the facility be important to the town’s economic fortunes, it is predicted that all of these questions will elicit some response directly related to the correctional centre. However, in the event that the prison acts only as another employer in the Kempsey economy, it is expected that only the prison specific questions will elicit a response directly relating to the correctional facility.

The surveys were administered by the researcher to Kempsey small business owners. The surveys were administered in a walk-off-the-street manner, with business owners being asked on site whether they would be willing to take part in the survey. In all, 20 retail businesses in Kempsey participated in the survey.

The actual survey took around ten minutes to administer, with the interviewer scribing the verbal answers of the respondents. The interviews were conducted in the businesses that the respondents were operating.

8.3 Results and Analysis

The results of the survey were varied, but had less extreme reactions to the correctional centre then had been anticipated.

As the survey left scope for broad answers, some of the responses elicited a variety of answers, while others were only given one line answers.

The responses were as follows:

1. Business Conditions

   Slow 19/20 (95%)
   Moderate 1/20 (5%)
Almost all of those interviewed felt that business conditions were slow. This would indicate that the town’s current economic situation is not great. People in the region are clearly not spending money in Kempsey small business.

2. Why business conditions are in that way

Drought 16/20 (80%)
Petrol 15/20 (75%)
People not having cash 5/20 (25%)
Big Business opening in town and accessible online 3/20 (15%)

It is telling that the responses on the reasons behind the prevailing economic climate relate to larger scale economic problems such as drought and high petrol prices. The localised response that small business has lost market share to larger operators is also telling.

None of the responses to this question linked economic conditions to the presence of a correctional centre in the region.

3. Comparing conditions now and prior to the opening of the correctional centre

Worse 16/20 (80%)
Worse for business but better for community 4/20 (20%)

Almost all respondents (80%) stated outright that conditions in the town were worse in 2006 than in 2001, two years prior to the prison opening. All respondents stated that business conditions were worse.

This would suggest that either the prison does not have a significant impact on overall economic conditions, or that its arrival in the region dragged has the local economy down.

4. Defining what has changed in that period economically
Economic conditions have worsened (rising petrol prices, consumers spending less) 12/20 (60%)

Big Business Competition 7/20 (35%)
More Growth 5/20 (25%)
Better Jobs 4/20 (20%)
Community has improved socially and environmentally 1/20 (5%)

This question again tellingly did not elicit any responses directly relating to the correctional centre. Just over half (60%) of respondents put the economic conditions down to the larger problems of petrol prices and less consumer spending.

Interestingly, this question also elicited some responses that the town had had some changes for the better in the form of better jobs (20%) and more growth (25%). It is possible that some of those better jobs came from the arrival of the correctional centre.

5. The impact of the Mid-North Coast Correctional Centre

Positive 11/20 (55%)
More Jobs 11/20 (55%)
New Residents 5/20 (25%)
More Money in town 5/20 (25%)
Negligible 4/20 (20%)

The findings relating to the impact of the Mid-North Coast Correctional Centre are mostly positive- only 20% suggested that the impact of the facility of the local region was negligible, and no negative responses were received. Almost 80% of respondents believed that the facility had brought some positive influence on the region.

6. Whether hosting the prison was right for Kempsey

Yes 20/20 (100%)
More of the Corrections jobs should have been filled by locals. 1/20 (5%)
All respondents stated that they felt that the decision to host a correctional centre was the right one for the township. This is consistent with the previous question regarding the impacts of the prison. However, the result is surprisingly high.

7. **Whether the prison brought unexpected impacts**

No 7/20 (35%)
Greater confidence in the town 5/20 (25%)
Brought in some outsiders with problems 4/20 (20%)
Tendering contracts has help establish local businesses 3/10 (15%)
Many employees of the facility living out of town 2/20 (10%)
Has brought back former residents who’d left the town for work 1/20 (5%)

The responses to this question on the unexpected impacts only brought out a small number of responses that were negative. Most respondents stated that they had not experienced any impacts related to the correctional centre that they did not expect.

Those responses that were negative related to the ‘camp followers’ phenomenon that has been extant in international literature, and those that suggested that Kempsey hosting the prison was giving jobs to non-locals, another theme in the literature.

8. **Economic future of Kempsey**

Survival 14/20 (70%)
Bleak 5/20 (25%)
Loss of highway traffic through bypass construction a risk 4/20 (20%)
Crime will hold it back 3/20 (15%)
Bright 3/20 (15%)
Most respondents did not express great confidence in the future of the town- 70% talked only of the town being able to survive- with little thought of further ambition or growth. Only 15% of respondents saw the future as bright. Interestingly, the correctional centre did not rate a mention with regards to the economic future of the community.

9. **Challenges for the future in the Macleay**

- Road Bypass 9/20 (45%)
- Population increase 6/20 (30%)
- Business increase 5/20 (25%)
- Bringing more investment into town 5/20 (25%)
- Crime 4/20 (20%)
- Finding Jobs 3/20 (15%)
- Keeping customers, money in town 2/20 (10%)
- Tree changers arriving 1/20 (5%)
- Getting Council to look after business 1/20 (5%)

Once again, the correctional centre did not register among respondents. The most commonly identified challenge was the risk that the road bypass would take commerce outside of the town.

There was a diverse range of responses to this question however, some with a negative outlook (finding jobs, keeping customers in town), and some more ‘positive’ problems such as dealing with business increase and population increase. Generally speaking there were more instances of respondents commenting on ‘positive problems’ than the negative challenges.

10. **The prisons role in the town’s future**

- Important part to play 10/20 (50%)
- A way to keep jobs in town 9/20 (45%)
- No real role 5/20 (25%)
- Only important if it grows 4/20 (20%)
- Helps town retain services 3/20 (15%)
- Will help business growth 2/20 (10%)
Half of all respondents felt that the correctional centre had an important role to play, showing that the correctional centre is seen as being an important part of the town’s economic future in the eyes of respondents. However, a notable quarter of respondents did not believe that the prison had a role to play, and another twenty per cent felt that the prison would only play an important role in the town’s future if it became larger. That response suggests that the prison has provided a short-term boost, long term employment- but does not, in the eyes of some respondents help the town in solving its future problems.

8.4 Discussion

The results of the survey seem to suggest that although local small business operators feel that their town’s hosting of a correctional centre has been a good decision. However, the absence of the prison in responses to questions on the general economic conditions or on the general challenges for the Macleay region suggests that the Mid North Coast Correctional Centre, while having some positive influence on the local economy, has not really been a significant player in the forces driving the local economy.

Those results are in line with the regional development literature discussed earlier in this thesis which stated that large-scale, outside facility based investment into a region would not necessarily lead to a stronger local economy. The fact that the Macleay and Kempsey small business is enduring slow conditions would suggest that this has been the experience of the Macleay.

However that is not to suggest that the decision to host a prison has not helped the local economy. It simply seems that the development of one government facility, employing a couple of hundred employees in a town of 30,000 will not have that great an impact on the regional economy. Certainly the responses of the small business operators surveyed would suggest this. None see the prison as being or driving their
economic conditions, however, all think that hosting the prison was a good thing for the Kempsey Shire.

It appears as if the psyche of small business in Kempsey has been largely unaffected by the development of the Mid-North Coast Correctional Centre. All respondents talked about the correctional centre only when specifically asked about the facility. It is almost as if the prison has been built and the small business operators are moving onto the next set of challenges for the town. This seems to link to much of the literature on the relationship between prisons and their host regional areas in that the impact of prisons is seldom noticed for long economically.

8.5 Where to from here

The survey conducted and its results have a number of limitations. Firstly, the sample surveyed is hardly large enough to give the results any credence as representing the positions of the broader Kempsey business community. Indeed, that was never the intention of the research, which sought only to gain an insight into the position of small business operators on the correctional facility. However there is no doubt that a full survey and its results could be more revealing.

Secondly, in hindsight, while the questions in the surveys worked independently, they did not really work as a group of questions in the task of eliciting information from respondents. In future research on this topic, a more finely crafted questionnaire would probably produce strong correlations between some of the responses.

What this thesis is also unable to cover is the impact of the correctional centre on the broader town community. The American literature on the impacts of prisons on regional areas suggests that small business owners are likely to be more receptive of correctional centres then the general local population (Martin and Myers, 1995). Therefore, it would be extremely valuable to take a region wide approach to the
relationship between the correctional centre and its host community.

In an attempt to get a broader perspective on the relationship between regional areas and correctional centres, it was intended to include the findings of an in depth interview with the Shire mayor as part of this thesis. Unfortunately, due to other arrangements, the Mayor was unable to participate in an in depth interview, and as such, the focus of this research has unfortunately narrowed considerably.

**Significance of the thesis research**

The field research in this thesis is not particularly significant as it is not methodologically sound enough for academic scrutiny. What the research has managed to bring out are a number of themes relating to correctional centres— but also, unfortunately, many more themes about Kempsey and the Macleay then specifically about its Correctional Centre.

As has been intimated previously, the thesis field research is not particularly strong, and no significance can be attached to the results of so small a sample of any community. However, the contextual area in which this thesis sits is an increasingly significant area for regional planners in the Australian context. As such, it is hoped that further, more rigorous research is conducted on this topic.

The relationship between correctional centres and their host communities has not been strongly and independently researched in the Australian context. However, as state governments continue to construct correctional centres outside metropolitan areas this issue is emerging as an important phenomenon. Much more research into this area is therefore required.
9.0 Conclusion

The relationship between prison and regional areas as a significant one may have first emerged in the United States of America, but it is increasingly relevant in the Australian context. The ‘selling’ of correctional centres by corrections officials to economically depressed regional areas has increasingly come under the scrutiny of researchers in the United States, and probably should face such scrutiny in Australia.

The research conducted as part of this thesis is small in scale, and hardly perfect. However, the literature background and the field research finding that prison facilities are not so important to small business operators in Kempsey that they mention the facility when talking about general economic conditions in the community suggests that the correctional centre should probably be treated by a potential host community as simply another land use with its own set of impacts, positive and negative, on the surrounding area.

To do otherwise places economically depressed communities that are desperate for growth at risk of taking on a correctional facility that might not necessarily benefit the community as much as is hoped. Communities in the U.S have placed tremendous investment into the pursuit of a correctional centre and have typically not received requisite economic benefits once the facility begins operation.

In Australia, where prisons are built largely by the public sector, to the cost of state administrations, investment in prison recruitment has not become a problem. If anything, the development of a correctional centre in Kempsey has been a positive decision. The only investment made by the Kempsey Shire has been in upgrading one intersection for access to the correctional centre. The prison has brought employment to Kempsey, and has enabled offenders from the region to be housed near their social support networks. The correctional centre during its construction stage also helped local tradesmen develop some start up capital for locally operating
businesses. Finally, the prison in Kempsey is a small facility housing 500 patrons, located next to a disused airport and agricultural land. The fact that its visual impact on the landscape is minimal—due to extensive tree-planting—means that with the exception of slightly more traffic on rural roads, the prison has had no major impact on its immediate environs. With the extra employment that the facility offers to the Macleay, on balance its impact seems to have been more positive than negative.

The contextual zone that the economic prison occupies is fertile ground for research in Australia, and the research in this thesis has hardly crowded that space. The results of the research in this thesis are not strongly founded in good research practice, and as such, are not overly significant. However, there is much in this area that should be studied so that the phenomenon of the ‘economic prison’ and its impact on its host community are fully understood.
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